GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:785
ANSWERED ON:21.02.2003
TARIFF CONCESSIONS BY EU
JAGMEET SINGH BRAR;T.M. SELVAGANAPATHI

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether European Union had granted tariff concessions under its generalized system of preferences scheme to some countries including Pakistan except India for combating drug trafficking;

(b) whether India has made any complaint with WTO against E.U. in this regard;

(c) if so, whether World Trade Organisation has agreed to India`s request for establishment of a panel to examine tariff concessions granted by countries including European Union; and

(d) if so, the details thereof?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI ARUN JAITLEY)

(a) to (d) : The scheme of Generalised System ofPreferences (GSP)of the European Union (EU) for the period 1st January 2002 to 31st December 2004 inter-alia provides for suspension by the EU of customs duties for all products which have not graduated under special tariff arrangements to combat drug production and trafficking. Pakistan is one of the beneficiary countries under this special arrangement. As this may adversely affect India`s exports to EU, India had taken up this issue with EU through bilateral consultations held in February 2002 and July 2002 and consultations under the Dispute Settlement Mechanism ofthe World Trade Organization (WTO) on 25th March 2002. During these consultations it was highlighted that India would stand to lose substantial trade on account of duty concessions given to Pakistan. The EU was requested to rectify the adverse trade impact due to such concessions.As the EU did not address our concerns in this regard the Dispute Settlement Body (DSB) was requested to establish a panel in this dispute. During its meeting held on 27th January 2003 the DSB has established a panel to examine India`s claims in this dispute.